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## Is the Middle Class Doomed to Extinction?

Moderator, MARQUIS CHILDS

*Speakers*

LEON HENDERSON

LEO WOLMAN



**THE LISTENER TALKS BACK**

on

**"Do We Want a Military Man in the  
White House?"**

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## Is the Middle Class Doomed to Extinction?

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The account of the meeting reported in this Bulletin was transcribed from recordings made of the actual broadcast and represents the exact content of the meeting as nearly as such mechanism permits. The publishers and printer are not responsible for the statements of the speakers or the points of views presented.

### THE SPEAKERS' COLUMN

**DR. LEO WOLMAN**—A native of Baltimore, has been Professor of Economics at Columbia University since 1931. He is also a director and member of the National Bureau of Economic Research, a scientific statistical bureau for the investigation of economic problems. Dr. Wolman is a trustee of the Mutual Life Insurance Company of New York and is a director of the Clark Equipment Co. Among the books he has written are *Business Cycles and Unemployment*, *Recent Economic Changes*, *Recent Social Trends* and *The State in Society*.

**LEON HENDERSON**—Born in Millville, N.J., former Director of the OPA and National Chairman of Americans for Democratic Action from 1948 to 1950, is now devoting his experience as economist to business. He is consulting economist for the Research Institute of America, an organization for the objective analysis of economic trends in business and government. Mr. Henderson is also President of the International Hudson Corporation, consultants on international trade, and Director of Research for the Jewelry Research Foundation, Inc.

**Moderator: MARQUIS CHILDS**—One of Washington's most distinguished newspaper men, is best known for his column, "Washington Calling." Syndicated by United Features, it appears in nearly 200 papers throughout the country. Mr. Childs is becoming well known to the television audience by his frequent appearances on "Meet the Press" and outside the Eastern area where he is rapidly gaining fame as moderator on a syndicated forum, also named "Washington Calling," carried in about 30 cities.

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# Is the Middle Class Doomed to Extinction?

## Announcer:

Tonight your Town Meeting is originating from Fairleigh Dickinson College in Rutherford, New Jersey. Organized in 1941 by a group of sixteen high school principals under the leadership of Dr. Peter Sammartino, its President, Fairleigh Dickinson College has two aims: First, to give its students a vital and dynamic cultural background; and second, to give training in some career field so that the student may achieve economic security within a reasonable time after graduation.

The college maintains a close association with local industries and professions. In fact, Fairleigh Dickinson has sixteen citizen advisory committees which help develop its courses. Some curricula are on a work-study basis, and the faculty takes advantage of the college's strategic location by using the metropolitan area's facilities as a student laboratory.

And now to preside as moderator for tonight's discussion, here is the distinguished author and syndicated columnist for United Features, Marquis Childs.

## Moderator Childs:

It would be hard to find a subject that touches more Americans directly than the one raised on America's Town Meeting tonight. This is not merely a matter of income levels, of statistical measurement. It involves our status as individuals.

As Americans, we are allergic to that word *class*. Our forebears wanted to leave behind the inherited distinctions of caste and class when they came to this country. The great charter of our freedom promises equality of opportunity to all, regardless of race,

color, or creed. And when we think of ourselves as members of a class, it is with a comfortable belief that most of us belong to what is loosely called "the middle class."

But is that belief still founded in fact? Or is it a myth that glosses over a somber reality? Are the forces of bigness grinding most of us down to slavish dependency—big labor and big business with big government intervening, as in the current crisis in the steel industry and in the phenomenally high taxes we now pay? Or has the middle class actually been expanded through the social and economic changes initiated by the New Deal and later the Fair Deal?

Here to discuss this question that touches so directly on our hopes and fears are two well equipped experts in the field of economics. Dr. Leo Wolman, who takes the affirmative, has been a professor of economics at Columbia University since 1931. He is also a member of the National Bureau of Economic Research and a trustee of the Mutual Life Insurance Company. One of his recent books has the provocative title, *The State in Society*.

Taking the negative is Leon Henderson, who was one of the architects of the New Deal in association with Harry Hopkins and Franklin Roosevelt. Former national chairman of Americans for Democratic Action, he is now consulting economist to many business groups, including the Research Institute of America.

And here first is Dr. Wolman.

## Dr. Wolman:

I suppose you realize that this is not a very easy subject, and we had better start by trying to get



our bearings and find what it is we're talking about. Of course, many people may have many different ideas in mind about what the middle class is, and if they think one thing, it may be a very prosperous state; and if they have another definition of the middle class, it may not be so prosperous.

So I've tried to work out some ideas of what I think it is. It has something to do with income, and I don't want to stop at that now and tell you what I think it has to do with income, but it is in some way related to the income of the people whom we classify in this group.

I think there are other features of middle class. The middle class, I should say, is suspicious of government. Now I don't know how many people there are left in the United States who are in that category, and they may be almost completely extinct at the present time—in which case my case is proved right at the outset.

They believe in property. They have an idea about property, and they believe in property, and they believe in—well, I don't like to use the words "sanctity of property," but they have the view that there is a virtue in private property.

On the whole, they like to be endowed with initiative and like to use their initiative for furthering themselves and for furthering their families, and if you take this whole bundle of things and put it together with some kind of idea of what income group you're talking about—and it isn't a very narrow income group, naturally—I think you have a notion as to what I have in mind anyhow about the middle class.

Now of course the subject we're talking about is pretty harshly stated, "doomed to extinction," and that means a lot of things. That

doesn't mean that it just passes out of existence here in Rutherford and surrounding areas tonight. What it means is that this group of people—whoever they may be, however we finally define them tonight—are being weakened, and that they are in a less strong position today than, say, they were 25, 30 years ago.

That's what we mean by saying "doomed to extinction." There are certain forces, policies, in operation in this country and I think indeed in most parts of the western world which are having non-favorable effects on the position of the middle class.

Now defining the middle class as I do—and when I use the word class, I have no notion of class conflict or anything of that kind—defining middle class as I do, what I intend to try to show as we go on in this discussion here tonight is that in the United States as well as in other parts of the world, so far as we can get evidence on a complicated matter of this sort, policies, forces—economic, political, social forces—are at work which are tending to reduce the size, the importance of this portion of the population whom we call the middle class.

I might add that that's not part of the debate but that I think that if that is happening it's a very bad thing for the country and the community in which it's going on. *(Applause)*

**Moderator Childs:**

And now Mr. Henderson.

**Mr. Henderson:**

It is true that the old traditional middle class, people who lived from rental income, lived on the ownership of small businesses, particularly proprietorships, has been diminished.

At one time, the class was made

up of heirs, people who had inherited wealth, some professional men, and a few of the artisocrats of labor. They were set apart from the wage-earner group, and were in between them and the large owners of industry.

But the middle class is not static. Since the mid-thirties, as the result of a more equitable division of income through the changes in the income tax—progressive income tax—the estate tax, and the stupendous rise in personal incomes, the number of people with incomes over \$5000 has grown from 22½ per cent in 1935 to over 20 per cent in 1950.

So instead of declining, there has been an amazing increase in this great expansion. It takes in the professions, most of them,—except medicine—engineers, lawyers, managers, executives, an astounding increase in farms, debt-free ownership, labor leader aristocracy, high-paid military and high-paid civilian service. Rather than a declining amount of property and the loss of faith in property, enormous savings are still continuing and enormous investment in property.

Particularly since 1945, the class of incomes above \$10,000—\$10,000, even up to \$50,000—has practically doubled. And taken together with the persistent starts of new, small, individually owned businesses, the middle class, instead of being doomed to extinction is thriving and expanding and acquiring a set of healthy middle class attitudes all its own. (*Applause*)

**Moderator Childs:**

Thank you, Mr. Henderson. I would gather, Dr. Wolman, that you feel that the criteria set out by Mr. Henderson do not really define a middle class. Is that correct?

**Dr. Wolman:** I think that's right. Now that would be my view. Let's talk about this for a minute. In the first place, these influences that are at work on what I call the middle class, which isn't the same thing Mr. Henderson calls the middle class, are slow-moving, corrosive influences. And while I'm changing my outline now, I want to tell you what I think they are, and then come back to what they are doing.

I think most of us know what these influences are and they are doing something to this middle class, as they are in other countries. Before I got here, I talked to a colleague of mine and he said, "Do you know that in Holland they've just organized a society for the preservation of the middle class? Now why should they worry about a thing like that?" I think we ought to have one here too.

Now one of these influences—these corrosive, powerful, subtle influences that are at work all the time and have been for quite a number of years on the middle class—I'll just enumerate them and you'll recognize them all right away—one is taxes. Everybody knows about that. There was a piece in the paper this morning about federal government collecting last year, \$56,000,000,000. A lot of money even in this country. That's the federal government. Local and state government has taken another \$25,000,000,000, which is a mere bagatelle. Anyhow, taxes. I'll tell you later when we get around to that point of it what these taxes do.

The second thing that's happened is now there are some people that are property owners who get more or part of their income from property and others get it only from wages or from salaries. Now it's one of the distinguishing features



of the middle class that they get something out of property.

Now something happens in the country which keeps on reducing property income, like President Truman's seizure of the steel industry, for example, which follows a whole set of episodes of a similar kind. Then the people who depend to some degree on this property income are going to get worse off all the time, no matter who they are, so there is something happening to property income, and I'm going in detail a little bit later.

A third thing that is happening is that one element of the population—we've mentioned it before—is very strongly organized and they take income away from other people in one way or another. The fourth thing is inflation.

**Mr. Childs:** Thanks, Dr. Wolman. I gather, Mr. Henderson, that you would disagree here, too, with Dr. Wolman. Do you feel that government has the right to intervene to transfer income from one group to another?

**Mr. Henderson:** Well, if you take as your definition of government what the majority wills in a democratic society, it makes its own decisions. There has never been a real challenge to the progressive income tax or to the estate tax, and therefore I feel all these things that my colleague denominates as corrosive are the things that really save the structure of a capitalistic *entrepreneur* system in this country. If it had not been for the change in the division of a product of our industrial society, making more consumer purchasing power available, we would not have had the strong and healthy, vigorous system that we have today, which did not go down after the war, as most people thought it would, but has really

made a substantial organization out of our economy.

**Mr. Childs:** May I interrupt there to ask you how far you think that can go? I'd like to get Dr. Wolman on this, too. Can government go on being a referee to keep the balance, if it goes too far in the direction in which you're talking about, for example, for organized labor?

**Dr. Wolman:** Well, I don't—as a matter of fact, if I had time, I'd say a few good words for Adam Smith. I happen to be a very strong individualist, and I am always suspicious of the advances of government. I do not agree with the implication that the government is intervening, so that there is no area for competition or private enterprise.

**Mr. Childs:** Well, I gather you're both individualists and both members of the middle class. Is that right, Dr. Wolman?

**Dr. Wolman:** We're both individualists, we're both members of the middle class, and we both disagree. Which is fine.

Now as for the government's saving something. I had a friend once who negotiated a great deal and some of his colleagues came to him after one negotiation and said, "We won a great victory," and he said, "One more victory like this and we'll be out of business."

And that's what all this saving is like. This saving is a very costly thing, and we forget one or two incidents in the course of this saving, which has colored our thinking greatly and has nothing to do with the government or anything else, and that is that we seem to be extraordinarily prosperous because we had the biggest war in all history. We paid for it, we're still paying for it, and that

makes you feel awful prosperous and if you stop to think about it a moment, no government saving had anything to do with that.

Now another word about progressive taxation. We don't accept progressive taxation. Haven't had any experience with it except for the last ten years. Ten years is a short time in the life of a nation and once they get to see it as they see it now, there's not going to be this general acceptance of progressive taxation. Anyway, I don't accept it. I don't like it.

**Mr. Henderson:** You would think, to hear Leo Wolman talk, that all this rise in income and the ownership of property and savings was due entirely to the war. Well, as a matter of fact, after every other big war, and in most countries, there was a terrible depression, but in 1945, '46 on down to the Korean episode, the shackles were taken off, the controls were removed, and we had probably what was the golden age of capitalism in the country. Better earnings, more people employed, more savings, more property—and I want to insist on that—there has been no decline in the amount of property that people generally own. And so we had a real test of this progressive taxation thing in those five years.

**Mr. Childs:** I'd like to suggest here to both of you a question about another of middle class,—and that was the German middle class after World War I—whether or not perhaps it's too early to tell as to what will happen with the growing inflationary pressure to our middle class.

**Dr. Wolman:** Well, these inflationary pressures do it no good, but anyway I'd like to go back to history a little bit. Everybody today writes off all history. Well,

you can't write off history like that. I lived in the twenties, also in the thirties, but these episodes are not over.

Now in the twenties we were a very prosperous country in the United States. You should see the literature of that period. People came from all the world to write about the secret of American prosperity, just as a lot of Englishmen and Frenchmen write about the secret of our prosperity right now. I'd be hesitant about that, if I were you. Ten years is not all history.

**Mr. Childs:** Mr. Henderson, I'm sure you have something to say about that.

**Mr. Henderson:** Well, I thought maybe you'd want me to comment on the destruction of a German middle class by inflation. There is just no doubt that the property-owning group, with the progressive devaluation of their currency, is the loser, and one of the reasons why Hitler was able to play to the middle class and get their support was the prospect of their restoration.

But that hasn't happened here. We have had a doubling and a tripling of the middle class with middle class instincts and all you have to do is look around you, keeping always a wary idea of what caused the depression of the thirties; namely and to wit, the false prosperity of the twenties.

**Dr. Wolman:** Every prosperity is a false prosperity when it's over. And every prosperity when it's in full bloom is the greatest thing the country and its government has ever achieved. And all you have to do is go back and read the record, and then read the record now. (*Applause*)

I'm no prophet of gloom. I think this is a great country if you let it alone.



**Mr. Childs:** I wonder how far you'd go to letting it alone at this point, Dr. Wolman. Would you take off many of the government controls today?

**Dr. Wolman:** I'd take them all out, but I am in a revolutionary mood. I go back to our ancestors. I don't think we need all these controls, and when I see the way they are being exercised and applied, I'm sure we don't need any of the controls. We'd get along better without them. After all, prices fell all last year because the government made the same mistake or a similar mistake last year that it made in 1945.

Leon Henderson saying about how we had this great burst of prosperity, but nobody in Washington knew we were going to have it. You know what they did? They made preparations for ten, twelve, fourteen million unemployed. Nobody was more—I was going to say disappointed—wrong than they happened to be at that time.

Now last year another thing happened of that kind. The government knows nothing about these things, and there is no reason why the government should. It doesn't go to school, it doesn't study any of these things, they are busy with other matters. But last year, do you know what happened? Consumers made more money and didn't spend it, and that was a terrific disappointment to the government and it brought depression into the textile industry, into the television industry and things of that kind. That wasn't planned by anybody; it happens.

There is a lot of vitality in this economic system left, and it will have a great deal more vitality if you let it be. Well, that's a funny political doctrine, particu-

larly to a generation that has seen everything fooled with.

**Mr. Henderson:** I would agree with the good great doctor that there is life in the old gal yet. That's one thing I would agree with. But he put as one of his tests the matter of the interest in property, as if the middle class which I have described had no interest. I ask you to look at the debt-free large farms, the ownership of houses, constantly of an increasing value, the automobile registration, the college population, the electrified farms. And, your book, Mr. Chairman—in case you don't know, *The Farmer Takes a Hand*, is a book which the moderator has written—shows that we have a progressive decline in farm tenancy which is just the other side of saying that we've had a progressive increase in the ownership of farms.

**Dr. Wolman:** Can I talk property?

**Mr. Childs:** I think it's legal.

**Dr. Wolman:** Well, I want to say a word about property. What if you've got it and it doesn't do you any good? Now I've got a couple of figures here and I don't like to burden you with figures, but they are so good I think I've got to show them to you. These figures show what's happened to the income of certain activities and property in the United States in 1929 to '48. One class of income is what we call wages and salaries, lower salaries. From 1929 to 1948 they increased 134 per cent.

Another is practically farmers' income—it increased 145 per cent. That's a small group anyway, because the number of farmers is diminishing all the time. There are only about 3 million owner farmers in this country.

Now you've got property. Here



are the sources of income from property—rent, dividends, interest. Now remember those first two figures I gave you, 134 per cent increase from '29 to '48, and for farmers 145 per cent. Rent incomes—suppose you own something and depend on the rent. You know how much that's increased in that period? Twenty-six per cent.

Dividends—dividend income, income from dividends that comes from the profits of business, you know how much that's increased in that period? Six per cent.

Next, interest. And I can't stop to tell you what we've done with interest. You know how that's changed from '29 to '48? That's gone down 21 per cent.

Well, suppose you believed in property. As Leon Henderson says, there are people and more people believing in property. Well, it won't do them much good to believe in property if the trends move in that direction.

**Mr. Henderson:** I think Dr. Wolman has made the best argument for the return of the party in power that's been made.

**Mr. Childs:** I didn't know we were going to get into politics here.

**Mr. Henderson:** But certainly this change in the distribution of income, which I regard as healthy, has been substantial along the lines that he has indicated; and for that reason I feel that while we are diminishing the overload which property has taken we have not abandoned the property idea. As a matter of fact, the savings feature that the good doctor has talked about represents new investment by millions and millions of wage earners and middle class people.

**Mr. Childs:** I would like to put

a question to Dr. Wolman, if I may. That is, where he believes we went off the track and whether he would have had government intervention in 1932.

**Dr. Wolman:** Well, that's a long story, and I'd like to waive the answer to that because that would take me far afield.

**Mr. Childs:** All right, just answer it very briefly.

**Dr. Wolman:** Well, I say it wouldn't have made any difference, and we'd have got along just as well if government hadn't intervened, but that's the thing.

**Mr. Childs:** You would have gone on with the 15 million unemployed.

**Dr. Wolman:** Well, you went on anyway with a very large number of unemployed. They're hard to measure. Anyway, we always recovered in this country before we had a government that did all these things, and there is a lot of evidence that we would have had a better recovery without government intervention than we had with it, because this notion that a country like the United States just stops being, stops producing, at a certain time is a wholly fallacious notion.

I grant you this—we were in a state of jitters in that period. When a country gets in a state of jitters, it's a little hard to get it out, but you might use such violent medicine to get yourself out that it would make you sick for a good long time afterwards, and that's what we did. (*Applause*)

**Mr. Henderson:** If you want to substitute the word *hunger* of about 14 million people for *jitters* and get the idea, looking back on it, that the professors could have saved this country, you're running against the grain, and

running against what is already history and expects to stand there.

**Dr. Wolman:** What I said had nothing to do with hunger. What I said did not mean that we couldn't have paid relief and kept people from being hungry, which we were very capable of doing even in the darkest days. What I'm talking about is the NRA, the Wagner Act, and a whole lot of other things of that kind, and

intervention on a scale this country had never seen before, and we've moved from that point. And it's not fair to say that I said that people who were hungry should have been left unattended.

**Mr. Childs:** Gentlemen, we've come to one of the most interesting periods of the discussion now, and we're going to take questions from the floor.

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## QUESTIONS, PLEASE!

*Lady:* After listening to Mr. Henderson, it seems to me that there is no more working class, that most of us are middle class, now. However, I really don't believe that. Do you think, Mr. Henderson, now that a great many of our professional people are joining unions, that it may mean the absorption of the professional class by the so-called working class, and in that sense make them extinct as a middle class psychologically and economically?

*Mr. Henderson:* Well, the first part: we're not on the topic of the lower class, but to our shame there are 10 million family units or individuals that have incomes of \$2000 or less. There is still a great deal to be done. Now it is true that by reason of not having a sense of organizing power or collective bargaining, a lot of the lower-income professional groups are becoming union-minded; but when you get up into the aristocracy of labor and you get into the salary groups, the professional groups which constitute this new middle class, the engineers, there is no sense of organization or unionization. In fact, as you get up into those income levels your

attitude shifts. The place where you want to live, the education for your children becomes distinctly bourgeoisie rather than proletarian.

*Man:* At what period in our history did the middle class emerge?

*Dr. Wolman:* Well, I don't know. I didn't look that up. I suppose tolerably early in American history, I should say, but that's just a guess on my part.

*Mr. Childs:* Mr. Henderson, would you like to comment on that?

*Mr. Henderson:* I think it's generally conceded that it began with the so-called winning of the west, and the help which the government gave to small land-holders. It's not generally known, but after the Revolution a lot of the Tory states were broken up into small plots and sold to individuals, and I think we began to have the middle class emerging then; and as we industrialized and professions grew, the middle class was added to.

*Mr. Childs:* Well, there may be some doubt as to its exact origins, but I think we can feel very confident that it's present here in

this hall tonight, and in the town of Rutherford, judging from all the reactions we've had.

Now let's continue our discussion with a question from President Peter Sammartino, who is our guest here at Fairleigh Dickinson College.

*Dr. Sammartino:* Today it is difficult to create a modest estate. Is this difficulty, whether it is due to taxation or inflation, tending to diminish the importance of the middle class?

*Mr. Childs:* I take it, Dr. Sammartino, you meant that for both of our participants tonight. Dr. Wolman?

*Dr. Wolman:* I think that's an excellent question and a very good example of what is happening at the present time. It is very difficult to accumulate even a modest estate today because of taxation, and because of this big decline in the value of money we've had, and because of very many other forms that government intervention has taken. And if that continues, and there seems to be every sign it will continue, it certainly will have something bad to do to the middle class.

*Mr. Henderson:* Well, I disagree with the contention that's implied that it's ever been easy in this country to create a modest estate. As a matter of fact, the reason why the middle class was so small was because of that difficulty and because of the emphasis that was put on ownership that already existed.

Again, all you have to do is look at the deposits, the insurance, the number of bonds that are held, the wide participation in the ownership of all American industry through stocks and bonds and through—I've been wanting to use this. This is from the National Bu-

reau of Economic Research—estimates on national wealth. Now this is Dr. Wolman's organization, and you can see what happened in these years that he's talking about. You see that line going almost off the chart? That represents the increase in national wealth. Now wealth is owned by somebody. If it isn't owned by the people, then who does own it?

*Man:* Mr. Henderson, do you think New Deal and Fair Deal legislation has had a tendency to do away with all class distinctions?

*Mr. Henderson:* I certainly do not. I think that some of the New Deal and Fair Deal legislation has helped in the evening out, a balancing out process. I think that in some periods you go too far, but if you will look at the stratification of either income, wealth, or of wage earners versus property holders, you'll see that we have not in this country ironed it out. We have pressed it down—a better distribution, but certainly no classless society here.

*Man:* Dr. Wolman, considering real wages as a basis, is not the middle class today better off economically than the middle class of ten years ago?

*Dr. Wolman:* Well, I presume that economically some classes of population are better off than they were ten years ago, and other classes of population are worse off. Depends on where you take your dividing line. If you take your dividing line at lower ends of the income scale, there are many people that are better off than they were ten years ago. If you take it farther up in the dividing line, there has been a steady deterioration in economic well-being.

I'd like to make one covering statement about this which I have



already alluded to before, and that is that you are now in a period when total income is going up; and when total income goes up, everything always looks rosy for practically all income classes, and it doesn't when total income doesn't go up.

*Mr. Childs:* Mr. Henderson, do you have a comment on that?

*Mr. Henderson:* Sure, we're talking about income going up. That's what we're talking about. But I'll read you some figures about the last ten years since 1940. These are by the five divisions—the highest fifth of disposable income increased only 38 percent; the second, 63 percent; the third, 77 percent; the fourth, 98 percent; the lowest, 68. The average increase was 57 percent.

*Mr. Childs:* Dr. Wolman, do you want to comment on that?

*Dr. Wolman:* There are all kinds of figures here, you know, and they are tricky figures. Suppose you got the whole population and took the upper one percent and looked at their incomes, and then you took the upper five percent. Now one thing. If you take the upper one percent, they go down to \$5000, so you won't have any misconception about what that is. If you take the upper five percent, they go down to \$2000. Now these two groups that had very big—one of them lost its income status between 1929 and 1948 — others improved slightly, and the big improvement came in the lowest groups which is what we've been saying all along, and that's what has happened to the middle class.

*Man:* Mr. Henderson, we've been talking about the increase in national income and ownership and all those nice things. Perhaps

you could tell us something about the decrease in dollar value and the increase in national debt over the past twenty years.

*Mr. Henderson:* Well, there is just no doubt but that there has been a decline in the value of the 1929 dollar and there is no doubt that there has been a decrease in the value of a dollar since 1939; but if you put it in tangible terms, physical production has been going up—physical production in the number of automobiles, the number of houses—and the per capita has been going up. In other words, at a time when, by creation of debt to pay for a great war, there was a decline in the value of the dollar, the actual standard of living—the things which people own diffused—has been going up.

*Lady:* Dr. Wolman, have the greater opportunities for education, higher education I mean, been much of a factor in the leveling off of class distinctions in America?

*Dr. Wolman:* Well, possibly, I'm not sure that that's so. Of course, it has opened up many occupations to people to whom these occupations were not previously open, but I think such opportunities as were created by this were reduced by these other forces that we've been talking about; namely, reduction of property income, increase of progressive taxes, and things of that kind.

*Mr. Childs:* Do you want to comment on that, Mr. Henderson?

*Mr. Henderson:* I certainly do. I was the only one below the railroad tracks in Millville, New Jersey, that finished high school. At the present time, they have a high school south of the tracks, and we have as large a percentage of people in college as we had before in 1940, 1945, and it's con-

stantly growing. Those people are in the professions and they have gotten to be, many of them, middle class people.

*Dr. Wolman:* I'd like to say a word about that.

*Mr. Childs:* All right, Dr. Wolman. You approve of Mr. Henderson's Millville, do you?

*Dr. Wolman:* Well, yes, I approve of it, but when you look at the figures for who's in the professions and things like that the relationship hasn't changed very much in the last thirty, forty years.

*Mr. Childs:* We have time for another question.

*Man:* Mr. Henderson, what effect will social security and old age benefits have on class distinction?

*Mr. Henderson:* I think undoubtedly that you get a greater reliance on those in the lower income groups than you do in the middle class groups and there is something undoubtedly that happens — I thought Dr. Wolman would stress this—to the sturdiness and the sense of free exercise of will and choice that comes and did come in the middle class, as we knew it before, without social security and where there was a much stronger property sense than there is now. Undoubtedly social security does do something to the class structure.

*Mr. Childs:* Dr. Wolman, you feel you must say something about this, do you?

*Dr. Wolman:* Well, I'd like to say one thing about social security. The one big thing about social security is we don't know what it's going to be worth. Now in other countries they've had social security, and after a long lapse of time it wasn't worth what they thought it was when they put it

in, so that much of the security we may associate with this is something you've got to think about.

*Mr. Childs:* Here's a young man with an urgent question.

*Man:* Mr. Wolman, what are the basic causes to which you would attribute the eventual extinction of the middle class?

*Dr. Wolman:* Well, I think I mentioned them. One is taxes, and taxes are going up. The other is inflation, and the value of money goes down during the inflationary period. A third is what's happened to property income, which is a source of income for middle class people. And a fourth is the very powerful and expensive organization of one element of the population who uses that organization in order to take things away from other elements of the population, of which the middle class is an important one.

*Man:* Mr. Henderson, do you think that present methods employed by big business will force little business out of the middle class?

*Mr. Henderson:* I spent a lot of time on that, as you may know, through the TNEC and subsequently. There is a tendency towards concentration, but the number of individual starts of small business has still remained very, very high. A part of that has been due to the advancing technology and the advancing amount of consumer income where retailers and others can go after it. I think we've always got to be vigilant about monopoly and concentration, and there I have a very steady agreement I think with my confrère.

*Mr. Childs:* Well, it's interesting to find that Dr. Wolman and

Leon Henderson have some points in agreement. They come very near to the end of this program and we're grateful to you, Leo Wolman, and Leon Henderson, for so illuminatingly bringing intelligence and reason to something that is of such vital concern to all of us here in America.

I'd like just to say that I was particularly interested in one of Mr. Henderson's comments about the expanding middle class. He included the new military in that, and if you could just say in less than a minute something about that, Mr. Henderson.

*Mr. Henderson:* Well, in all the middle class groups of foreign countries, there was, very decidedly, the elite group that had

no commonalty with the working group and had no participation in the extensive ownership of castles and estates. We had a small standing army, but we have developed a large group of high paid military officers.

*Mr. Childs:*—And you list them with this expanding middle class.

Again, thanks to you, Leo Wolman and Leon Henderson, for your contribution to this discussion.

On behalf of Town Hall I wish to express appreciation to Town Meeting's hosts, Fairleigh Dickinson College, and thanks in particular to President Sammartino of Fairleigh Dickinson.

So plan to be with us next week and every week at the sound of the Crier's Bell.



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AMERICA'S

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# FOR FURTHER STUDY OF THIS WEEK'S TOPIC



## Background Issues

1. What is "the middle class?"
  - a. Is it an income level?
  - b. Is it a standard of living?
  - c. Is it a job classification?
  - d. Is it a state of mind?
2. Is "the middle class" an absolute or a relative group classification?
  - a. If the middle class, as we knew it a number of years ago, is decreasing, does this mean it is doomed to extinction or that it is a changing group?
3. Is there a correlation between the size of the middle class and the form of government (democratic vs. totalitarian)?
  - a. Will there always be a middle class in a democracy?
4. Is the middle class a cohesive group?
  - a. Do they share similar problems, ideas, etc., or are they a heterogeneous group?
  - b. Are they a group of conformists and stereotypes or are they individualists?
  - c. Does the middle class exert any political power? Do they have any organizations to uphold their interests?
5. Is the middle class the "forgotten class?"
  - a. Do they bear an equitable share of the tax burden or the heaviest part?
  - b. Can the middle class afford both to live comfortably and to save for the future?
  - c. Are they tending to save less and to depend more on the government in their later years?
6. Are the poor getting poorer and the rich getting richer in this country, or are all incomes (after taxes) tending towards the median?
  - a. Is it the upper and lower classes which are doomed to extinction? Is this country becoming one large middle class?
  - b. Is the middle class increasing as lower class incomes rise?
7. Is the middle class better off than they were formerly?
  - a. How has their standard of living changed over the years?
  - b. Has modern technology given them more leisure?
  - c. Have their income and buying power kept up with rising prices?

# THE LISTENER TALKS BACK

on

"DO WE WANT A MILITARY MAN IN THE WHITE HOUSE?"

Program of April 15, 1952

## Speakers

Kenneth G. Crawford

Pauline Frederick

*Each week we print as many significant comments on the preceding Tuesday's broadcast as space allows. You are invited to send in your opinions, pro and con. The letters should be mailed to Department A, Town Hall, New York 36, N. Y., not later than Thursday following the program. It is understood that we may publish any letters or comments received.*

Sir:

This nation was founded on civilian freedom from militarism. I think a military man would be the downfall of whatever civilian freedom we have left.—VERLAND BYER, Hamlin, Kansas.

Sir:

The important thing, I feel, in selecting a candidate for the presidency is to select the man with whose ideas you agree. Whether he be of civilian life or military life should make no difference.—MRS. ELTON L. LAVEY, Denver, Colorado.

Sir:

In explaining away the not-too-effective record of General Eisenhower as President of Columbia University . . . Mr. Crawford said that the general had no training to be a college president. And yet he would have us believe that he would nevertheless be a good United States President, not mentioning that this job is in many ways a greatly magnified edition of the other, only infinitely harder.—ELIZABETH HOLTHUSEN, New York City.

Sir:

Exactly why should (General Eisenhower) have been such a howling success (as President of

Columbia)? He was accepting a new vocation at a time of life when few make such a change successfully. . . . Remember he has had a marvelous training for a U.S. presidential job in his work in Europe. . . . Any man who could get a semblance of cooperation among those jealous, as well as fear-minded, political leaders in Europe has had an excellent training for coping with our undisciplined American mob. —ANNA E. HAMILTON, Pensacola, Florida.

Sir:

A good many of Miss Frederick's arguments didn't seem to me to be very convincing. For example, her antipathy to a "trained military mind." I should think that after our experience of the last twenty years, she would welcome a trained mind of any description, military or otherwise. Furthermore, her preoccupation with the "military mind" rather than the man himself seemed to me to be more biased than really intelligent. Nothing that I have heard or read about General Eisenhower would lead me to fear that he believes in war for war's sake or in achieving domestic ends by force. I do not believe that General Eisenhower holds any such principles, either of life or of government. —VIRGINIA BURNE New York City.